



Recommendation for Action

File #: 21-2597, Agenda Item #: 68.

9/2/2021

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations in an aggregate maximum principal amount of \$232,000,000 from Certificates of Obligation, \$50,660,000 from Contractual Obligations and \$1,438,264,600 from Public Improvement Bonds for various municipal projects.

Lead Department

Budget Office

Fiscal Note

Fiscal Note Attached.

For More Information:

Kerri Lang, Interim Budget Officer, 512-974-7211

Additional Backup Information:

Data as of August 2, 2021	Remaining to be Issued
Certificate of Obligations	\$232,000,000
Contractual Obligations	\$50,660,000
Public Improvement Bond	\$1,438,264,600
Grand Total	\$1,720,924,600

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City of Austin to spend money today, state and federal law require the City to approve a reimbursement resolution, which allows the City to reimburse itself from the issuance of debt obligations in the future. The resolution must contain certain information and protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of the date the expenditure was made, or the date that the project with respect to which the expenditure was made is placed in service. If any of this debt must be issued as taxable due to legal issues, the debt will be issued as taxable.

Strategic Outcome(s):

Government that Works for All